

# GENERAL TERMS AND CONDITIONS OF PURCHASE DRASS GROUP

## ARTICLE 1 GENERAL PRINCIPLES

1.1 These "General Terms and Conditions of Purchase" (hereinafter referred to as "General Terms") form an integral part of any Purchase Order (hereinafter referred to as "Order") concluded with the SUPPLIER (hereinafter referred to as "SUPPLIER") for goods or Services (hereinafter referred to as "PRODUCTS" and/or "Services") intended for the companies that are part of the DRASS GROUP (hereinafter referred to as "CLIENT"), without the need for further consents, and shall be deemed valid, effective, and operative unless otherwise specified in the Order itself.

## ARTICLE 2 ORDERS AND THEIR MODIFICATIONS

2.1 The conclusion of the individual Contract shall be deemed perfected once signed by both parties and at the moment when the CLIENT, having issued the relevant Purchase Order (hereinafter referred to as "Order"), receives it accepted by the SUPPLIER without modifications or reservations.

2.2 Unless otherwise specified, the Order must be accepted by the SUPPLIER within 7 (seven) calendar days from the date indicated on the Order by returning to the CLIENT a copy of the Order including any Attachments duly signed on each page or by signing the electronic Order with a digital signature. If such acceptance has not been received by the CLIENT within the terms established by this Article, the CLIENT shall have the right to consider the Order not concluded. The SUPPLIER is prohibited from executing the contract before returning to the CLIENT the Order duly signed, including the clause relating to specific acceptance, according to the methods and terms established in these Terms or indicated in the Order itself.

2.3 The SUPPLIER is obliged to promptly communicate to the CLIENT any changes to the personal data provided at the time of issuing the Order.

2.4 No variation or modification to the Order may be introduced by the SUPPLIER unless previously authorized by the CLIENT through the issuance of a variation order countersigned by both the CLIENT and the SUPPLIER.

## ARTICLE 3 DELIVERY OF PRODUCTS/SUPPLY OF SERVICES

3.1 The delivery of the PRODUCTS covered by this contract, for the purpose of assessing compliance with delivery times, quality verification, and the transfer of risk of the goods from the SUPPLIER to the CLIENT, shall occur according to the timing and methods specified in the INCOTERMS

2020 in the Order.

3.2 In the event that the specific characteristics or nature of the PRODUCTS require adherence to special protective regulations, the SUPPLIER must highlight such regulations by means of appropriate labels, written instructions, or timely notifications during delivery.

3.3 Any partial and/or split deliveries or early deliveries shall be accepted with the prior consent of the CLIENT; in the absence of such consent, the CLIENT may return to the SUPPLIER, at the SUPPLIER's expense, any product delivered early compared to the delivery date specified in the Order.

3.4 Deliveries or supplies that do not conform to the specifications indicated in the CLIENT's orders may be refused by the latter or will require prior agreement and written consent from the CLIENT for their acceptance.

3.5 Every shipment must be accompanied by a copy of the transport document complete with the Order references and the list of packages, detailing the PRODUCTS contained, their respective quantity and weight, as well as all documentation required by the Order.

3.6 The delivery of the PRODUCTS does not imply acceptance, which will occur only after a positive verification of compliance of what was delivered compared to the Order and the absence of defects or flaws, as established in the Order.

The CLIENT shall have the right to notify the SUPPLIER, even after receipt and regardless of any payment of the relevant invoices, of any non-compliance of the delivered goods or the presence of defects or flaws with respect to the Order, as provided in Article 5. In this case, the SUPPLIER shall be obliged to promptly remedy the non-compliance and replace any defective or flawed PRODUCTS.

3.7 The SUPPLIER guarantees that the personnel employed to perform the activities related to the order are and will be in compliance with legal provisions regarding remuneration, contributions, taxes, assistance, and insurance, as well as with all applicable regulations regarding subordinate employment relationships (laws, regulations, and collective labor agreements), parasubordinate or collaboration relationships, and must be qualified as suitable for the work to be performed.

## ARTICLE 4 PENALTIES

4.1 The delivery deadlines, both final and intermediate where present, as indicated in the Order, are essential.

In case of failure to comply with the above deadlines, not justified by force majeure or reasons not attributable to the SUPPLIER, a penalty equal to 2% of the total consideration provided in the Order may be applied for each week, or fraction of a week, of delay, up to a maximum of 10%, unless otherwise agreed. In addition to the penalties applied, the CLIENT is entitled to compensation for any further damage.

4.2 Unconditional acceptance of a late delivery of PRODUCTS or supply of Services shall not be deemed or interpreted as a waiver by the CLIENT of the right to claim damages until such

compensation has been fully paid to the CLIENT within the terms requested.

The SUPPLIER must immediately inform the CLIENT's purchasing office if it foresees difficulties that may hinder its ability to deliver or supply the PRODUCTS and/or Services in a timely manner and with the required quality. However, this will not exempt it from the related responsibilities arising from the delay in performance.

4.3 If the delay extends beyond the tenth week from the scheduled delivery date or for other contractual obligations, the CLIENT has the right to declare the contract resolved pursuant to Article 12, with the right to acquire any penalties already incurred and to compensation for any further damages potentially suffered.

## ARTICLE 5 WARRANTY

5.1 In addition to the legal warranties, the SUPPLIER guarantees that the PRODUCTS and/or Services are suitable for the purposes and use for which they were purchased and conform to what is provided in the Order regarding quantity, quality, technical specifications, delivery terms, and location as defined in the Order or its attachments; the SUPPLIER also guarantees that they comply with current regulations, as well as with practices, procedures, and technical standards generally accepted in the relevant sector, that they are executed to perfection and free from defects, flaws, and lack of promised and/or essential quality, and finally that they are not encumbered by third-party rights.

5.2 Unless otherwise specified in the Order, the warranty lasts for 12 (twelve) months from the delivery of the PRODUCTS and/or acceptance of the Services.

5.3 The time limit for reporting defects and flaws relating to the PRODUCTS is 30 (thirty) days from their discovery.

5.4 In case of violation of the warranties mentioned in paragraph 5.1 above and in addition to any other legal or contractual remedy, the CLIENT has the right to require the SUPPLIER to fulfill the Performance (i.e., replacement or repair of the PRODUCTS; repetition or correction of the Services). In this case, the replaced or repaired PRODUCTS or the repeated Services will benefit from the same warranty, which will start from the date of completion of the intervention.

5.5 If the SUPPLIER does not immediately remedy the defects following a request from the CLIENT, in case of urgency or to prevent further damage, the CLIENT is authorized to directly perform or have performed, through third parties, any appropriate correction of the defect at the SUPPLIER's expense, including the replacement of the defective product.

5.6 In case of proven defect or non-compliance of the PRODUCTS with the guarantees provided above, which the SUPPLIER has not remedied within 30 days, the CLIENT shall have the right to terminate the contract for non-fulfillment, reserving the right to refuse payment of the purchase price and request the return of any amounts already paid in relation to the defective or non-compliant PRODUCTS.

5.7 The CLIENT may in any case exercise the right to demand compensation for any direct and indirect damages arising from the defects or non-compliance of the PRODUCTS, provided that it provides documentary proof.

Acceptance and/or payment of the PRODUCTS and/or Services by the CLIENT shall not prejudice the exercise of applicable legal and/or contractual remedies.

5.8 All expenses arising from the application of warranty obligations shall be borne by the SUPPLIER, including those for shipping, assembly, and disassembly where they are rendered necessary due to the SUPPLIER's non-fulfillment.

## ARTICLE 6 TRANSFER OF RISK, OWNERSHIP, AND ACCEPTANCE

6.1 For the purpose of determining the transfer of risk for damage or total or partial loss of the PRODUCTS from the SUPPLIER to the CLIENT, the Incoterms specified in the Order or Contracts shall apply.

6.2 Ownership of the Product shall be deemed transferred to the CLIENT at the moment of the transfer of risk as provided by the Incoterms 2020, according to the specific agreed delivery method. Ownership of the work carried out in execution of the Service(s) shall be deemed transferred to the CLIENT upon its acceptance by the latter.

6.3 In both cases and where applicable, the PRODUCT(S) and/or SERVICE(S) (or any work subject to the same) shall be deemed definitively accepted by the CLIENT only upon successful completion of any testing procedures agreed upon in writing between the Parties.

## ARTICLE 7 FORCE MAJEURE

7.1 The SUPPLIER shall not be held liable for any non-fulfillment and/or delays due to events of force majeure, meaning exceptional and/or unforeseeable events and/or circumstances such as wars, revolutions, sabotage, epidemics, fires, explosions, earthquakes, floods, national strikes, and category strikes, impediments due to specific legislative provisions or other impediments of equal severity independent of the parties' will and having the character of unpredictability.

7.2 In the cases referred to in the previous Article, delivery times shall be extended for a period corresponding to the working days lost due to the occurrence of the above-mentioned force majeure causes.

7.3 If a party is affected by force majeure, it shall promptly notify the other party in writing (within 7 days of the occurrence of such cause) stating the date on which it manifested and the date when it is expected to cease having an effect.

7.4 If the causes of force majeure last for more than 60 (sixty) days, the parties shall have the right to consider the Order automatically resolved, according to the provisions of Article 12.

## ARTICLE 8 TESTING

8.1 The SUPPLIER commits to providing PRODUCTS that comply with current safety regulations in Italy, as well as with the technical, functional, and qualitative specifications defined in the Order or its attachments. To verify such compliance, the SUPPLIER acknowledges the possibility that the PRODUCTS subject to the Order may need to undergo testing.

8.2 The methods for conducting the testing will be outlined in the Order. In the presence of errors and/or malfunctions, the PRODUCTS will be rejected; in this case, a Negative Testing Report will be drawn up with the consequences specified in the Order. If this occurs, the SUPPLIER is obliged to make the necessary corrections at no additional cost to the CLIENT within a maximum period of 15 (fifteen) days from the notification of the Negative Testing Report, after which the testing phase will be repeated according to the methods and terms specified above.

8.3 If such defects are found to be irremediable, the Parties will agree on the amount to be deducted from the SUPPLIER's credit due to the identified defects. No payment will be due to the SUPPLIER from the CLIENT for the PRODUCTS until they have successfully passed the Testing.

8.4 All costs related to the testing, including those arising from any repetitions due to the SUPPLIER's liability (excluding all costs of any kind related to the CLIENT's personnel that are not necessary), as well as the remuneration of the designated entity for testing conducted at the SUPPLIER's workshops and/or plants, as specified in the Order, shall be borne by the SUPPLIER.

## ARTICLE 9 PRICE

9.1 The amount of compensation for the PRODUCTS and/or Services subject to the supply will be agreed upon in each Order or contract. The agreed prices indicated in the Order are fixed and lump-sum and are not subject to revision until the completion of the Order.

9.2 If a contract does not specify a pre-established price for the compensation but instead allows for reimbursement based on documented expenses, such additional costs will only be recognized by the CLIENT if previously approved and substantiated in writing.

9.3 Payment is subject to the acceptance without reservations of the PRODUCTS by the CLIENT according to the terms and methods contained in the Order.

9.4 If the Order provides for the installation, assembly, or other implementation of the PRODUCTS in addition to their supply, delivery will be deemed complete only upon successful completion of the installation, assembly, or implementation as per the procedures agreed upon in the Order. If these operations do not ensure the full functionality of the PRODUCTS as specified in the Order, the provisions of Article 5 will apply.

9.5 If the Order provides for staggered deliveries, it is understood that compliance is based on the complete execution of the Order itself. For individual delivery deadlines, reference must be made to what was agreed upon in the Order.

## ARTICLE 10 PAYMENT TERMS

10.1 Payments will be made within the terms provided in the Order.

The settlement of the invoice may occur provided that it has been issued in accordance with legal provisions and includes all necessary information for processing the payment. In particular, the invoice must include: the Order number, the description of the goods/Services, the quantity and unit price of the goods/Services, the currency, and payment terms. If the invoice lacks one or more of the aforementioned essential details, the CLIENT will request the SUPPLIER to make the necessary substantive amendments/integrations, with a consequent new start date for the payment terms from the date of receipt of the invoice. It is understood that the CLIENT cannot be held responsible for any payment delays resulting from such substantive irregularities.

10.2 The invoice must be issued according to the terms required by law and transmitted electronically in the format provided by Annex A of DM No. 55/2013. It is also communicated that the Unique Office Code A4707H7 must always be included in the electronic invoice to allow the Exchange System (SDI) to correctly deliver the electronic invoice to the CLIENT's designated office.

10.3 In case of delays in payments compared to the agreed terms, the CLIENT will be charged late payment interest at the current rate. Late payment interest will be due only following the SUPPLIER's formal notice of default and provided that the delay was not due to the SUPPLIER's fault. In any case, delayed payment cannot constitute grounds for interrupting the supply.

### ARTICLE 11 DAMAGES COMPENSATION

11.1 The CLIENT reserves the right to seek compensation for any damage resulting from breaches of contractual provisions; where the Contract provides for penalties or guarantees, the reference is to be understood as compensation for further damages.

11.2 Except in cases of fraud or gross negligence, or violations of legal and/or regulatory norms and/or applicable contractual prescriptions and provisions by the SUPPLIER and/or its representatives, auxiliaries, employees, administrators, subcontractors, the amount of compensable damages shall not exceed 100% of the value of the Contract.

### ARTICLE 12 EXPRESS TERMINATION CLAUSE

12.1 In the event of the SUPPLIER's failure to comply with obligations arising from the Order and/or the Contract, the CLIENT may, without prejudice to further remedies provided therein for specific cases, notify the SUPPLIER in writing to comply within 30 (thirty) days of receipt of the relevant notice, with communication that, after the expiration of that term, the contractual relationship will be deemed automatically terminated.

12.2 In addition to what is provided in Article 12.1, the CLIENT may terminate the Order at any time by sending written notice to the SUPPLIER effective from the date indicated by the CLIENT in such communication, if any of the following events occur due to or attributable to the SUPPLIER: a) liquidation or subjection to any insolvency procedure; b) seizures, confiscations, protests, or subject to precautionary measures; c) failure to comply with confidentiality and usage restrictions as per

Article 16; d) association with or submission to any form of control, even indirect, by a competitor of the CLIENT; e) failure to comply with obligations under Articles 3.12, 3.13;

12.3 The CLIENT has the right to terminate the Order, even partially, in the event of violation by the SUPPLIER of even one of the following provisions: Article 4, Article 7, Article 22.3.

12.4 The termination under this article and in any other case does not nullify the obligations of the SUPPLIER under Article 16 (Confidentiality and secrecy), which will survive the aforementioned termination.

### ARTICLE 13 TECHNICAL DOCUMENTATION

13.1 The SUPPLIER must provide the CLIENT with all necessary and suitable documentation for its regular use (e.g., instruction and operation manuals, installation, assembly, and maintenance manuals, and warranty certificates) within the terms specified in the Order.

13.2 In case of delay in delivering the technical documentation within the terms specified in the Order, a penalty may be applied to the SUPPLIER, equal to 0.05% of the total amount provided in the Order for each day of delay, up to a maximum of 2% which will accumulate with what is indicated in Article 4.

13.3 Upon delivery of the PRODUCTS subject to supply, the SUPPLIER must provide the following data related to foreign trade:

- classification of goods in trade statistics (goods code)
- country of origin
- identification and classification of goods subject to export control
- upon request: delivery of a certificate of origin or a preference document.

### ARTICLE 14 SUPPLY OF CLIENT PROPERTY MATERIALS

14.1 Materials, components, containers, and special packaging provided by the CLIENT will remain the property of the CLIENT. They may only be used in accordance with their intended purpose. The processing of materials and the assembly of components are performed on behalf of the CLIENT. It is understood that, in relation to the value of the CLIENT's components compared to the total value of the product, the CLIENT will be co-owner of the PRODUCTS manufactured with its materials and components; the SUPPLIER agrees to safeguard these PRODUCTS in the CLIENT's interest.

14.2 In the case of materials sent for processing, they are considered compliant unless otherwise communicated within 5 days of receipt. The materials sent by the CLIENT to the SUPPLIER for processing are governed by Law 192/98 "Regulation of subcontracting in production activities."

### ARTICLE 15 INTELLECTUAL PROPERTY

15.1 The SUPPLIER guarantees that the PRODUCTS and/or SERVICES covered by the supply do not

infringe upon any patents, licenses, or third-party proprietary rights, nor the freedom or legality of use and trade both in Italy and abroad, assuming full responsibility for any claims related to the above obligations, including any defense, at its own care and expense, of the CLIENT in case any claims, judicial or otherwise, are directed against it by third parties, and releasing the CLIENT from any burden and liability arising therefrom. The CLIENT reserves the right to take any action in this regard.

15.2 Unless expressly stated otherwise in the Order, the CLIENT becomes the sole and exclusive owner in perpetuity of every right—none excluded or excepted—related to ideas, studies, projects, results of activities, and all related documentation for which the SUPPLIER has provided or will provide its services, acknowledging that the compensation due is adequate and inclusive of the transfer of rights as per this Article.

## ARTICLE 16 CONFIDENTIALITY AND SECRECY

16.1 The Parties agree to maintain the utmost confidentiality regarding confidential information (such as, merely by way of example and not limitation, designs, schematics, documentation, formulas, and correspondence) of a technical and/or commercial nature that they may become aware of during the execution of each supply relationship governed by these terms. In particular, the SUPPLIER commits, directly or indirectly through its employees and/or collaborators or any third parties it may engage with prior authorization from the CLIENT for the entire duration of the relevant supply relationship, and even after its termination (for any cause): (i) not to disseminate, communicate, or otherwise disclose the information made known to it by the CLIENT, without written authorization from the CLIENT, and in any case (ii) to use such information exclusively to the extent strictly necessary for the proper execution of the supply contract.

16.2 Any violation of this commitment will allow the CLIENT to immediately inhibit the SUPPLIER's personnel from accessing its premises and to use the remedies provided in Article 12, without prejudice to any compensation for damages that may arise from this.

16.3 The SUPPLIER recognizes, in any case, the CLIENT's full intellectual property rights regarding the technical and/or commercial information and all documentation that the CLIENT has provided or will provide for the execution of each supply relationship governed by these Terms. Such a supply relationship, in fact, does not give rise to any intellectual property rights or any license for their use by the SUPPLIER, except to the extent strictly necessary for the execution of the supplies.

16.4 In light of the above, the SUPPLIER commits, following the termination of the aforementioned relationship (for any cause), (i) to immediately return the aforementioned technical documentation to the CLIENT upon request, and (ii) not to disclose such information to third parties, until such information becomes publicly available for reasons not attributable to the SUPPLIER.

## ARTICLE 17 PERSONAL DATA PROCESSING

17.1 In accordance with the provisions of Regulation 2016/679/EU (hereinafter also referred to as the "EU Regulation"), all personal data exchanged between the Parties during the execution of the



Order will be processed respectively by each Party solely for the purposes indicated in the Order and in a manner instrumental to its execution, as well as to comply with any legal obligations, community regulations, and/or requirements of the Data Protection Authority, and will be processed, manually and/or automatically, according to principles of legality and fairness and in a way that protects confidentiality and the rights recognized, respecting adequate security and protection measures for sensitive data or data revealing health status, as provided by the Privacy Code and the EU Regulation.

17.2 Each Party acknowledges and accepts that personal data relating to the other Party, as well as personal data (e.g., names, business email addresses, etc.) of its employees/collaborators involved in the activities of this Order, will be processed by the other Party as the Data Controller for purposes strictly related to the establishment and execution of the Order itself, and in accordance with the information provided by each pursuant to Article 13 of the GDPR, which the other Party undertakes to make known to its employees/collaborators as part of its internal procedures.

### **ARTICLE 18 AUDIT**

18.1 To monitor the progress and quality of the work necessary for the fulfillment of the Order, the SUPPLIER must, without prejudice to its responsibilities, allow the CLIENT's delegates and those of any of its clients, free access to its workshops and facilities.

18.2 The SUPPLIER grants the CLIENT, or a third-party company designated by the CLIENT, access to its legal/operational headquarters upon simple written request from the CLIENT, with three (3) working days' notice.

### **ARTICLE 19 SOCIAL RESPONSIBILITY AND ENVIRONMENTAL PROTECTION**

19.1 The SUPPLIER must comply with laws regarding employee treatment, environmental protection, and health and safety at work, and commit to eliminating or at least minimizing the negative effects of its activities on people and the environment. In this regard, the SUPPLIER will establish and continuously develop a quality management system based on ISO 14001, proportional to its capabilities.

19.2 The SUPPLIER will also respect the principles of the UN initiative, particularly those relating to the protection of human rights at the international level, the right to collective bargaining, the abolition of forced labor and child labor, the elimination of discriminatory criteria in hiring staff, environmental responsibility, and the prevention of corruption.

### **ARTICLE 20 MANAGEMENT OF PERSONNEL ACTIVITIES AT THE RESPECTIVE SITES**

20.1 The SUPPLIER shall be obliged to comply with all safety regulations and instructions regarding work safety, environmental protection, entry and guidance within the CLIENT's facility, identification requirements, etc., which will be provided by the CLIENT for the respective site at the time activities are carried out on site. The corresponding instructions are made available at the entrance of the facility by security personnel.

20.2 The CLIENT assumes no liability for accidents occurring in the CLIENT's facilities/construction sites affecting such individuals.

## **ARTICLE 21 SAFETY OF SUBSTANCES, PRODUCTS, AND MATERIALS**

21.1 The SUPPLIER expressly guarantees to the CLIENT that the materials supplied comply with current safety regulations for PRODUCTS, particularly regarding compliance with the provisions of Regulation (EC) No. 1907/2006 (REACH), Regulation (EC) No. 1272/2008 (CLP), and Legislative Decree 81/08.

## **ARTICLE 22 MISCELLANEOUS**

22.1 Any ineffectiveness of an Article of these conditions or subsequent supplementary agreements will not affect the validity of the other conditions. The parties will agree on a substitute Article that reflects the economic intent as closely as possible.

22.2 The authentic text of these General Conditions of Purchase is in Italian, regardless of whether they may be translated into other languages for informational purposes; consequently, in case of interpretative conflict, the version that prevails and is therefore valid and binding for the Parties remains that in Italian.

22.3 The SUPPLIER may not assign Orders from the CLIENT.

## **ARTICLE 23 GOVERNING LAW AND JURISDICTION**

23.1 These General Conditions are governed by Italian law.

23.2 The SUPPLIER expressly accepts that any disputes that may arise between the Parties concerning the interpretation and/or execution of the Orders and these General Conditions shall be subject to the jurisdiction of the court in Livorno.